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Zenith Corporation

Collective Agreement





WELCOME

Zenith is recognized around the world as a leading manufacturer of air conditioning equipment.

The company was founded in 1958 in Christchurch and today employs over 300 people in NZ manufacturing.

Our products are sold in more than 42 countries around the world.

Your contribution is vital to our success. We trust you find your time with us is challenging and rewarding.

Again, welcome to Zenith.

John Armstrong
General Manager

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INTRODUCTION

This Employment Agreement and the standard format appointment letters constitute a collective agreement under Part 5 of the Employment Relations Act 2000.

The parties to this agreement are:

- Zenith Corporation Limited (“Zenith” or “the Company”),
- The Amalgamated Engineering, Printing and Manufacturing Union (Inc) (“EPMU” or “the Union”)

This Employment Agreement shall apply to all present and future manufacturing employees of Zenith who are members of the union, but has no application to supervisors and management personnel.

An employee’s personal terms of employment comprise this Employment Agreement and the additional matters confirmed in their appointment letter. Other Company policies and procedures, including the Code of Conduct, also apply. Such policies and procedures may be amended by Zenith from time to time, but may not be inconsistent with this Employment Agreement.

Unless specifically recorded in an employee’s appointment letter, any existing or previous agreement relating to an employee’s terms of employment is therefore superseded by this agreement.

This Agreement may be varied by agreement between the parties, provided a simple majority of the employees directly affected support the proposed change. For the purpose of this section, the phrase “employees directly affected” shall mean those employees covered by this Agreement whose terms of employment will be changed by the proposed variation.

In addition to full time permanent employees, Zenith may engage employees under this Agreement on a part time, casual or temporary basis.

A successful business is the result of team work and people working together in a spirit of partnership. Zenith is committed to promoting a harmonious workplace with good working relationships amongst all people in the business.

Zenith strives to employ the person most appropriately qualified in terms of skills, knowledge, experience and behavioural attributes for any role. Zenith also gives equal consideration to all employees in terms of advancement and progress within the Company. Zenith aims to ensure that all employees are respected as individuals and encouraged to maximise their potential. Harassment of any kind is not permitted.

Employees who have positive suggestions or wish to raise issues of concern should discuss these with their manager.

DUTIES

The success of Zenith lies in a total commitment to exceeding customer expectations.

Personal Development

Our success depends on the skill and expertise employees bring to their role.

Accordingly, Zenith has a strong commitment to employee development and training. This includes internal courses focusing on the specialist nature and type of work performed and equipment used.

We view learning as part of our culture. Employees are encouraged to continue this learning process, whether funded by them or the Company, and to expand their personal horizons throughout their career.

An employee's personal development will be regularly reviewed with them by their manager. It is important that employees discuss their career objectives with their manager so that, where possible, assistance may be provided.

Unless otherwise specified in an employee's appointment letter, all new employees are employed on a probationary period of three months to assess and confirm their suitability for their role. Employees will be provided with guidance, feedback and any necessary support during this period. Both parties will promptly discuss any difficulties that arise, and the employee's manager will appropriately warn the employee if termination is being contemplated. One week's notice of termination will be given if Zenith considers the employee has failed to meet the required standards.

Work Schedule

Our business is subject to fluctuating demand and our competitive advantage depends on being sufficiently flexible to deliver service when and where required.

An employee's appointment letter records their nominal work schedule. While our objective is to achieve necessary changes by mutual agreement, employees may be required to work different or additional hours to meet business needs, including shift work and callouts.

Employees may be required to work reasonable overtime. An overtime rate of time and a half applies after 40 ordinary hours have been worked in any pay week. In this context authorised paid leave counts as time worked.

In situations where existing hours of work can not be maintained due to reduced customer demand, Zenith may cease production on one or more days in any week, during which time the employees affected agree to take annual holidays. Generally a minimum of two days notice will be given of such changes. Where an employee has exhausted their annual holiday entitlement, consideration will be given to approving holidays in advance. Alternatively, Zenith may agree to the employee remaining at work and performing whatever duties may be available.

Breaks

The timing of breaks should reflect our commitment to customer service and be taken at reasonable intervals within the daily work period. Unless otherwise specified by Zenith to meet operational needs, in each 8 hour work period there will be one unpaid half hour break, one paid 10 minute break and one paid 15 minute break.

REMUNERATION

An employee's personal rate of pay will be confirmed in their appointment letter.

Zenith also operates a POP scheme which rewards employees for exceeding specified production targets. This scheme operates at the discretion of the Company and Zenith reserves the right to amend the scheme, or cease its operation, and advise employees accordingly.

Pay Adjustment

Rates of pay will be reviewed annually.

Deductions may be made by Zenith for scheduled time not worked, other than authorised paid leave. Any such deductions will be recorded on the employee's pay slip.

In the event that an employee is overpaid they agree that the Company shall be entitled to make deductions from wages relating to a particular pay period from wages relating to subsequent pay periods.

Payment Frequency

Unless otherwise specified in an employee's appointment letter, employees will be paid weekly by direct credit to their nominated bank account. However, when a public holiday falls on the scheduled pay day, the Company will endeavour to make payment on the preceding day. Employees will be notified should any difficulty be encountered in paying wages on the day preceding the scheduled pay day.

Deductions

On termination of employment or at such other times as Zenith may require, the Company may make reasonable deductions from an employee's pay (including holiday pay on termination of employment) for the value of any unreturned Company property, with due allowance for fair wear and tear, and/or any other debt the employee owes to Zenith (including payments made in advance).

Business Expenses

Employees will be reimbursed for actual and reasonable expenses that may be incurred in the course of their duties upon the presentation of relevant receipts. All expenses require the prior approval of the employee's manager.

BENEFITS PROGRAMME

Superannuation

Zenith is required by law to automatically enrol new employees in the KiwiSaver Superannuation Scheme, but employees are entitled to opt out if they do not wish to become a member of the scheme. The employee's personal contribution will be a minimum of 2% of their base pay in accordance with the regulations of the KiwiSaver Scheme.

Employee Assistance Programme

The purpose of this programme is to:

- Assist employees to overcome personal problems which are affecting their work performance
- Provide a service, within a supportive and confidential framework, to help employees when they experience problems of a personal nature, and to make appropriate professional counselling referrals as required.

Zenith will fund a specified number of counselling sessions with its service provider. Confidentiality is assured.

For more details employees should refer to the Zenith policy.

Please note that this section is only for the information of employees. The above benefits do not form part of this Agreement and are subject to change at the discretion of Zenith.

HEALTH, SAFETY & ENVIRONMENT

Compliance with all applicable legislation, including the Health & Safety in Employment Act 1992, is required.

The Company has a responsibility to ensure the safety of all people at every work location. However success also depends on the personal responsibility of employees.

Safety hazards will be identified and eliminated where practicable, or isolated or minimised.

Employees must take all reasonable steps to report any work accident or near miss to the Company as soon as practicable, and have it recorded in the accident register. Where the accident is not reported, the Company may not accept any liability for payments relating to absence arising from the accident.

Accidents and injuries can be prevented, and employees are required to participate in the Company's safety programmes and be responsible for knowing and following the health and safety rules applicable.

The Company's commitment to health and safety includes taking steps to ensure employees do not attend work impaired by drugs and alcohol. The Zenith Drugs and Alcohol Policy provides for testing where there is reasonable cause to do so, or an accident or incident occurs, or employees are working in safety sensitive roles.

Pre-employment medical examinations may be required. These examinations are conducted by a medical practitioner nominated by Zenith and are for the purpose of assessing applicants against physical competencies required by operational roles. This assessment will include undergoing a drug test in accordance with the Zenith Drugs and Alcohol policy.

Protective clothing and equipment appropriate to the work conditions will also be provided which must be worn. Employees will be provided with safety boots on the basis that half of the purchase price will be deducted from the employee's pay. Replacement will be on a fair wear and tear basis.

Employees will be instructed in the proper use of protective equipment and failure to use such equipment will constitute serious misconduct. Such clothing and equipment remains the property of Zenith.

The Company will also provide and maintain appropriate first aid emergency kits.

Accident Compensation and Rehabilitation

If employees are injured at work our objective is to implement programmes to contribute to their successful rehabilitation and safe return to work as soon as possible. Employees have a responsibility to participate in approved rehabilitation programmes.

Where the Company has reasonable cause to be concerned about an employee's health, whether due to illness or injury, they may be requested to undergo a medical examination by a medical specialist nominated by the Company, in order to assess their suitability for work based rehabilitation programmes or to enable an informed decision to be made regarding their continued employment.

The cost of such examinations will be paid by the Company. Before making its decision the Company will consider any other medical information the employee provides. If an employee does not agree to undergo a medical examination, the Company may make its decision on the basis of any other information to hand at the time. Failure to comply with the specified requirements may render the employee ineligible for compensation.

LEAVE

Subject to the following, provisions for leave are in accordance with prevailing legislation. Currently the Holidays Act 2003 provides for public holidays, annual holidays, sick leave and bereavement leave as follows. Employees can obtain further information about their leave entitlements under the Act from the Union or the Department of Labour (0800 800 863).

Public Holidays

Unless otherwise agreed, the public holidays are:

- Christmas Day
- Boxing Day
- New Year's Day
- 2 January
- Waitangi Day
- Good Friday
- Easter Monday
- ANZAC Day
- The birthday of the reigning sovereign (observed on the first Monday in June)
- Labour Day (being the fourth Monday in October)
- Anniversary Day (or the day locally observed as that day)

Usually public holidays will be observed, but employees may be required to work on a public holiday if that day would otherwise be a working day for them.

If an employee is required to work on a public holiday they are entitled to payment for the time worked at time and a half (as defined in the Act).

Annual Holidays

At the end of each year of employment with Zenith employees are entitled to four weeks annual holidays.

All leave is subject to prior approval so employees should discuss their preferences with their manager at an early date. Annual leave is unlikely to be approved during peak periods for the business, which includes the December/January period.

The Company may close down part or all of its business once a year and require employees to take annual holidays during this period. Employees will be given at least 14 days' advance notice of any such closedown.

Sick Leave

Sick leave is for situations where an employee, their spouse or a dependant is sick or injured. After 6 months service, employees are entitled to 5 days' sick leave for each year thereafter. Unused sick leave may be accumulated to a maximum of 20 days.

Wherever practicable, when an employee takes sick leave they must notify their manager of their absence before their normal start time and thereafter on each day that they are absent from work. Employees are required to speak personally with their manager or the next most responsible person and it is not acceptable for messages to be left on the answer phone, sent by text or passed via another employee.

Zenith may require a claim for sick leave to be supported by a medical certificate obtained at the employee's expense. However, in the case of absences shorter than 3 consecutive calendar days, where
Zenith

has good cause to require an employee to present a medical certificate the Company must promptly advise the employee of that requirement and will pay the employee's reasonable costs of obtaining the certificate.

Bereavement Leave

After six months' current continuous service employees are entitled to bereavement leave.

The entitlement to bereavement leave is as follows:

- 3 days leave on the death of an employee's spouse, child, brother, sister, parent, grandparent, parent in law or grandchild.
- 1 days leave on the death of any other person where Zenith accepts that the employee has suffered a bereavement, having due regard to the closeness of the association between the employee and the deceased, whether they have to take significant responsibility for arrangements for the ceremonies relating to the death, and any cultural responsibilities they have in relation to the death.

Wherever practicable, when an employee takes bereavement leave they must notify their manager of their absence before their normal start time or as soon as possible thereafter.

Parental Leave

Parental leave will be granted in accordance with the provisions of the Parental Leave and Employment Protection Act 1987 and amendments.

Court Leave

If a permanent employee is subpoenaed to jury service or to give evidence it is important to notify their manager as soon as possible.

Where it is not possible for the employee to be excused from such service, paid leave may be approved at the discretion of Zenith.

Payment while completing jury service is generally limited to five days per occasion. In some circumstances the Company may approve additional leave.

If paid leave is authorised the employee must return to work, as soon as practical, on any day they are excused from serving and they will be required to pay to Zenith any court fees they receive.

Unpaid Leave

Employees may be granted unpaid leave for a limited period depending on the circumstances. Such leave requires the prior written approval of the employee's manager.

GENERAL

Commissions

Employees must not demand, claim or accept any fee, gratuity, commission or benefit from any person or organisation other than Zenith in payment for any matter or thing concerned with their duties, except with the prior written consent of their manager.

Computer Software

Employees are prohibited from copying software that is protected by copyright or a licensing agreement whether the use of such software is for personal or business purposes, unless written approval is first granted by the owner or licensor of the software concerned.

The introduction of any software into the computer network is prohibited unless authorised by the designated network controller.

Email/Internet/Mobile Phones

Zenith may provide employees with access to Internet and email facilities or provide mobile phones for business purposes. Zenith will not sanction excessive or unreasonable use of such facilities and at any time may audit relevant electronic records. The following is expressly forbidden:

- Distribution or saving of material that is illegal in New Zealand or country of destination.
- Distribution or saving of material that negatively reflects upon a particular race, gender, religious belief, nationality, marital status or sexual orientation or is likely to cause offence.

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- Distribution of copyright material without permission of the author(s).
 - Distribution of material that may negatively reflect on the Company's reputation, or the issuing of unauthorised statements as being attributed to the Company.
 - Carrying out or attempting to carry out impersonation, misrepresentation of identity, forgery, substitution of mail, headers or any other identification marks.
 - Using Company computer systems for gambling or soliciting for personal gain or profit.

Employees must not use the Company's Internet facilities to access social media sites such as *Facebook* or *TradeMe* during work hours, unless it is specifically approved for their role. Accessing such sites during working time on business or personal mobiles, making personal mobile calls, or sending and receiving personal text messages is also prohibited.

Confidential Information

Employees may gain information during the course of their employment, which is confidential and/or commercially sensitive.

It is important that employees recognise this information and understand that they are not permitted to either directly or indirectly release information, which may disadvantage the Company's present or future operations.

Upon termination of their employment employees must return any documents, letters, papers, business cards and other material of every description (including computerised records and copies of or extracts from the same) that they possess or control relating to the affairs and business of or belonging to Zenith.

The above restrictions apply both during employment and after termination.

Conflict of Interest

During the course of employment employees should be careful to avoid situations, which might compromise their integrity or otherwise lead to conflicts of interest.

Employees must avoid anything that could directly or indirectly compromise the standing of Zenith and its relationship with customers and/or suppliers and/or the general public. Care must be taken if employees accept hospitality from either customers or suppliers over and above that required for the normal conduct of business.

Whilst employed by Zenith employees must not own, operate or otherwise be involved in a business that is in competition with Zenith. If an employee believes a conflict may exist they are encouraged to discuss this matter with their manager, preferably before any such arrangement is entered into.

Additionally, employees must not undertake secondary employment if it is likely create a conflict of interest or otherwise adversely affect Zenith or their work performance.

Employees should advise their manager immediately if they have any reason to believe a conflict of interest has arisen or may arise.

Intellectual Property

All work, including ideas, concepts, creations and inventions, or other intellectual property rights produced in the course of an employee's employment, are the property of Zenith. The company is entitled to any copyright or intellectual property rights from such work.

Employees shall not use, copy, sell or pass on such intellectual property without the prior knowledge and authorisation of the company.

Dress Standard

Employees are required to comply with standards of dress and personal hygiene appropriate to their role. Where clothing, particularly personal protective clothing and equipment, is provided, it must be worn at work and the employee will be responsible for its laundry.

TERMINATION

Notice

Unless a longer period of notice is specified in an employee's appointment letter, one week's notice of termination of employment is required but dismissal without notice applies in the case of serious misconduct.

On receiving notice Zenith may elect to pay an employee in lieu of notice and require them to not work out the balance of the notice period. The Company may also require the employee to remain at home on full pay during the notice period, or undertake an alternative role on the same terms and conditions of employment while working out the notice period.

Where the employee or Zenith does not give the required notice, the unworked period of notice will be deducted from the employee's final pay or paid by Zenith respectively.

Unless otherwise agreed between an employee and their manager the notice period may not be reduced by offsetting accrued annual leave entitlements.

If an employee is absent from work for a period of three consecutive work days without having notified the Company of their absence or without the consent of the Company or without good cause, they will be deemed to have abandoned their position, and their employment may be terminated without notice.

On termination of employment employees must immediately deliver to the Company all items of Company property in their possession and all documents and any other records and papers within their possession or control which are the property of the Company and which in any way relate to the business affairs of the Company, without retaining copies of same unless prior written approval has been given.

On termination of employment a certificate of service will be provided on request.

An employee's employment may also be terminated if they are declared medically unfit to perform their duties.

Redundancy

Redundancy means a situation where an employee's employment is terminated by Zenith, the termination being attributable, wholly or mainly, to the fact that the position filled by the employee is, or will become, superfluous to the needs of Zenith.

If redundancies are required, Zenith reserves the right to select employees for redundancy on the basis that it retains employees who by reason of skills and attributes are, in the Company's opinion, necessary for continuing operations.

In the event of restructuring as defined in Part 6A of the Employment Relations Act which affects an employee's role, the following will occur:

- In negotiating with the prospective employer Zenith's objective will be to arrange for the employee's continued employment by the new employer on the employee's existing terms and conditions of employment.
- As soon as possible after the sale and purchase is formalised, the employee will be provided with information about the new employer, whether they will be offered employment by the new employer, the basis of any such offer, the timetable for the transition, and the process for consultation with the employee.

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- If an employee does not receive an offer of employment from the new employer, their employment with Zenith will cease, in which case they will be given written notice as set out below, or payment in lieu of such notice by mutual agreement.

Unless otherwise specified in an employee's appointment letter, if their employment is terminated because their position is redundant they will be given four weeks notice in writing (increasing to eight weeks notice after five years service), or payment in lieu of some or all of the notice period at the election of Zenith. There is no entitlement to further payment for redundancy.

Employees have no entitlement to redundancy benefits by reason of the restructuring of their role where the new employer offers the employee employment in a similar capacity, or in a capacity they are willing to accept, on substantially similar conditions of employment, excluding superannuation, and agrees to treat the employee's service as being continuous. The same applies where, as a result of internal reorganisation, an employee's role is declared redundant and the Company offers them employment in a substantially similar position in Zenith or in an associate Company.

Employees may accept other employment during the notice period in which case they will not be paid for the unworked portion notice period.

Employees employed on a casual, temporary or fixed term basis have no entitlement to redundancy benefits.

REPRESENTATION

Zenith recognises the NZ Engineering, Printing & Manufacturing Union as the representative of those employees who have given appropriate authorisation.

In accordance with prevailing legislation, Zenith will provide for access by paid officials of the Union.

In addition Zenith recognises the role of employee representatives and will allow such employees reasonable time to carry out their functions, subject to the Company's operational requirements.

Provided an employee gives written authorisation, Zenith will deduct union fees from their weekly pay and remit them to the union at regular intervals.

Zenith has a policy of providing for effective consultation. Where the Company or employees consider a meeting should be called to discuss any matter such meetings may be held on terms mutually agreed between Zenith and the employees concerned. In addition Zenith will allow the Union paid meetings in accordance with prevailing legislation. The timing of such meetings shall be determined by mutual agreement with Zenith on the basis that sufficient employees remain available to ensure that essential Company operations continue during such meetings. The approval of Zenith shall not unreasonably be withheld.

EMPLOYMENT RELATIONSHIP PROBLEMS

Note: in the case of an employment relationship problem employees are entitled to be represented.

Definitions

“Employment Relationship Problem” includes a personal grievance, a dispute, and any other problem relating to an employee’s employment. However, it does not include any problem to do with the negotiation of new terms and conditions of employment.

“Dispute” means a disagreement about the interpretation, application or operation of an employment agreement.

“Personal Grievance” means a claim by an employee against the Company that:

- The employee has been unjustifiably dismissed; or
- The employee has been disadvantaged in employment by an unjustifiable action of the Company, or
- The employee has been discriminated against in employment; or
- The employee has been racially or sexually harassed in employment; or
- The employee has been subject to duress because of membership or non-membership of a union or employees’ organisation.

Raising an Employment Relationship Problem

Where an employee considers they have an employment relationship problem the matter should be discussed with their manager at the earliest opportunity, in an endeavour to resolve the matter promptly by direct discussion.

If the matter is not resolved, the employee should put the complaint in writing to their Manager. A further effort will be made to resolve the matter.

In the event the matter remains unresolved, or the employee believes it is inappropriate to raise it directly with their Manager because of the nature of the problem, the employee should contact the General Manager. Following this, if the matter still remains unresolved, then the employee should contact the Mediation Service of the Department of Labour.

Time Limit for Raising a Personal Grievance

If an employee wishes to raise a personal grievance, they must do so within 90 days of the date when the alleged grievance occurred or came to their attention, whichever is the later. The grievance is 'raised' as soon as the employee has informed the Company that they consider they have a personal grievance they want addressed.

The Company may agree to the matter being raised outside the 90-day period. The employee may also make application to the Employment Relations Authority for permission to raise the matter outside the 90-day period.

Choice of Procedures

In circumstances involving discrimination or harassment, as an alternative to the procedures in the Employment Relations Act 2000 employees have the option of laying a complaint under the Human Rights Act 1993. The employee should seek independent advice on the options. Such advice may be obtained from the Human Rights Commission or the Mediation Service.

Statement of Reasons for Dismissal

In the case of alleged unjustifiable dismissal, the employee is entitled to request that the Company provide them with a written statement giving the reasons for dismissal. The employee is required to make this request to the Company within 60 days of being dismissed or becoming aware that they have been dismissed. The Company must provide that written statement within 14 days of receiving the employee's request.

Other Options

In the event the matter is not resolved by mediation, the matter may be referred to the Employment Relations Authority for decision. Either party may appeal the decision of the Employment Relations Authority to the Employment Court.

TERM

This Agreement applies from the start of the first pay period falling on or after 1 June 2012 and expires on 31 May 2015.

Rates of pay shall be increased as follows:

- Effective from 1 June 2013 all employees covered by the agreement shall receive a 2% increase on their base rate as at 31 May 2013.
- Effective from 1 June 2014 all employees covered by the agreement shall receive a 2.5% increase on their base rate as at 31 May 2014.

SIGNATORIES

Dated at Auckland the 2nd day of July 2012

.....
SIGNED FOR AND ON BEHALF OF Zenith Corporation Limited

.....
SIGNED FOR AND ON BEHALF OF the NZ Amalgamated
Engineering, Printing, and Manufacturing Union (Inc)



Code of Conduct

PRINCIPLES

Minimum standards of behaviour and performance are necessary so that a harmonious and safe environment may exist in the workplace. It is expected that all parties will act in a responsible manner towards each other.

Zenith shall have the right to summarily dismiss an employee for serious misconduct.

Less serious misconduct should be corrected before disciplinary action is invoked and Zenith agrees to, if necessary, assist employees whose conduct in relation to behaviour or performance is not acceptable.

Any employee is entitled to know the likely consequences of their actions while employed by Zenith and to have the benefit of representation when their employment may be affected in dealings with Zenith.

The disciplinary procedure is viewed as a last resort when positive action, feedback, encouragement, negotiation and, where appropriate, any assistance including counselling and training has not succeeded.

CODE OF CONDUCT

The following are the minimum requirements to be observed whilst employed by Zenith. From time to time Zenith may amend these requirements and advise employees accordingly.

Performance of Duties

Employees must carry out instructions given by a person authorised to give such instructions but no person shall be required to do anything which might endanger themselves or any other person.

Employees must apply themselves diligently to work during working hours and not undertake other activities without the prior approval of their supervisor/team leader.

Employees will be assigned a place of work in the factory and should not access other areas of the factory unless their supervisor/team leader has instructed them to do so.

Employees must not deliberately or carelessly do anything that will result in poor quality work output or bring the Company into disrepute.

Employees may be required to comply with procedures regarding time recording. Clocking another employee's clock card will be regarded as serious misconduct, in which case the employee will be liable to dismissal without notice.

Alcohol and Prohibited Drugs

No alcohol may be consumed on work sites at any time without the permission of management. If approval is given, the function must be strictly supervised and excessive consumption of alcohol is not permitted.

No prohibited drugs are to be brought into work sites or consumed at any time.

Any employee who is suspected of having recently consumed alcohol or prohibited drugs and who in the opinion of their supervisor/team leader is not capable of satisfactorily performing normal duties will be stood down without pay pending disciplinary action (which may include dismissal).

Employees may be required to undergo tests for alcohol and drugs in accordance with the Zenith Drugs and Alcohol policy.

Attendance

All employees are required to start work on time, to observe the proper times for breaks and to work until the scheduled time to cease work. Any employee requiring to leave the site before the scheduled time to cease work must have the prior approval of their supervisor/team leader.

Employees not able to attend work for any reason are requested to advise their supervisor/team leader as soon as possible, preferably before starting time on any day of absence. The supervisor/team leader must be advised of the reasons for the absence and the expected date of return to work.

Absences due to sickness may require presentation of medical certificates.

Confidential Information

Confidential information gained during the course of employment must not be released to persons who could materially affect the Company's interests or the interests of our customers.

False Declarations

Wilfully making false declarations is not permitted.

Wilfully making false entries on Company or customer records is not permitted.

Harassment

Harassment of any kind is not permitted. Supervisors/team leaders are available to give confidential advice and generally assist employees if they feel that they have been sexually or racially harassed.

Harassment generally occurs when:

- There is verbal or physical misconduct, including the misuse of visual or written material, by one person or a group of persons towards another, and
- The misconduct is unwelcome and offensive and might reasonably be perceived as unwelcome and offensive; and
- The misconduct is of a serious nature or is persistent to the extent that it has a detrimental effect on the conditions of an individual's employment, job performance or opportunity.

Sexual harassment does not refer to friendly repartee; light hearted exchanges or occasional compliments. It does refer to behaviour, which is not wanted and is personally offensive to the person to which it is directed.

Illegal Gambling

Illegal gambling is not permitted at any work location.

Media Statements

Statements to media representatives in respect of the Company's business are prohibited unless authorised by the Managing Director

Personal Behaviour

All employees are expected to conduct themselves in a socially acceptable manner. Specifically threats, abuse or physical violence are not permitted. Provocation may not be accepted as an excuse.

Practical joking or skylarking is not permitted.

Property

Unauthorised removal or unauthorised possession of Company property or the property of other persons is not permitted.

An employee's supervisor/team leader shall be entitled, without prior warning, to inspect an employee's locker or bags but this shall only be carried out in the presence of the employee concerned, and in the presence of a witness.

Wilful damage to Company property or the property of other persons is not permitted.

Note: All serious cases, particularly those related to unauthorised possession of property, will be referred to the Police. Any disciplinary action the Company may take is quite separate from, and additional to, any action the Police choose to take.

Safety Procedures

Safety is of paramount importance and all employees are required to work safely, observe all safety rules and procedures and use all protective clothing and equipment as specified by their supervisor/team leader.

Employees are required to advise their supervisor/team leader of any potential health or safety problems.

All accidents or near misses must be promptly reported by employees to their supervisor/team leader.

No cell phones are to be brought into the factory or left switched on during working hours.

Smoke Free Policy

In accordance with the Smoke-Free Environments Amendment Act 2003 no person may smoke in the indoor area of a workplace including motor vehicles.

Smoking is therefore not permitted in the factory or in any other building on the premises.

Vehicles

To be authorised to drive a Company motor vehicle an employee must have a current drivers licence for the appropriate class of motor vehicle. Where an employee is assigned a particular vehicle, they are responsible for regular maintenance checks. Employees must report all concerns about the vehicle's mechanical condition to their supervisor/team leader.

Subject to the above, an employee may use Company vehicles for work related purposes provided their supervisor/team leader gives permission.

The Company is not responsible for any traffic violations whilst the vehicle is in the employee's care.

Unauthorised use or irresponsible use of a Company vehicle, or a vehicle owned by a customer, is not permitted.

An employee whose duties require the driving of a motor vehicle may be terminated in the event of conviction on a driving offence resulting in loss of licence.

Note: Should an employee be involved in a motor vehicle accident in a Company vehicle and be found to be at fault in such accident that employee will be given a written warning to the effect that any further incident of a similar nature may result in that employee's dismissal without notice. The employee may also be liable to reimburse the Company for the costs of any repairs that are not met by the Company's insurer.

Other

Any action, which by its nature and in light of reasonable community standards would be adjudged to be misconduct, is prohibited.

**FOR SERIOUS BREACHES OF THESE RULES EMPLOYEES
WILL BE LIABLE TO DISMISSAL WITHOUT NOTICE**

DISCIPLINARY PROCEDURE

The Disciplinary Procedure comprises the following steps:

Step 1: Preliminary Investigation

In the event there is an allegation of misconduct or unsatisfactory work performance the employee's supervisor/team leader, or his/her representative, will examine the allegation to determine whether or not there is any substance to the allegation.

Step 2: Advice to Employee Concerned

Where the employee's supervisor/team leader, or his/her representative, determines that the allegation has substance the employee concerned will be advised of the nature of the allegation, the potential impact on his/her employment if the allegation is sustained, the right to be represented and the fact that the matter will be fully investigated.

Step 3: Stand Down

Where the seriousness or nature of the incident requires, the employee's supervisor/team leader, or his/her representative, may stand down the employee and require him/her to remain available for discussions on the matter. However a stand down is not in itself a disciplinary measure. Such stand down will be on pay, unless the period of stand down becomes protracted due to the employee delaying or refusing to participate in the disciplinary process.

Step 4: Formal Investigation

A formal investigation will then be carried out by the employee's supervisor/team leader, or his/her representative. Discussions will be held with all persons considered able to assist.

Step 5: Discipline Interview

The employee concerned will then be advised of the time of a meeting to discuss the matter.

When the meeting commences the allegations will be described to the employee, together with information obtained in the investigation.

Step 6: Employee's Explanation

During the Discipline Interview the employee concerned will be given the opportunity to provide an explanation and ask any questions.

Step 7: Due Consideration

The meeting will be adjourned to consider the explanation of the employee.

Further investigations will be conducted if required.

Step 8: Decision

If the employee's supervisor/team leader, or his/her representative, determines that the allegation is not substantiated no action will be taken against the employee who shall resume duties as directed.

If the employee's supervisor/team leader, or his/her representative, determines that the allegation is substantiated, based on reasonable probability, the supervisor/team leader, or his/her representative, will decide on the appropriate form of disciplinary action.

In cases of serious misconduct, the employee will be liable to dismissal without notice.

Less serious misconduct or unsatisfactory work performance will be subject to the following disciplinary action:

- In cases of unsatisfactory performance or the first instance of misconduct a verbal warning may be given, which will be confirmed in writing.
- Where unsatisfactory performance continues after a verbal warning or there is a further instance of misconduct after a verbal warning or the level of misconduct justifies going straight to a written warning, then a written warning may be given.
- Where unsatisfactory performance continues after a written warning or there is a further instance of misconduct after a written warning or the level of misconduct is sufficiently serious to justify going straight to a final warning, then a final written warning will be given.
- Where unsatisfactory performance continues after a final written warning or there is a further instance of misconduct after a final written warning, then dismissal with notice will occur.

Step 9: Implementation

The employee's supervisor/team leader, or his/her representative, will then call a meeting to convey the decision to the employee. The employee is entitled to be represented or have another employee present as a witness.

After the meeting the decision will be confirmed in writing.

Each warning may be for unrelated matters.

A copy of all warnings will be kept on the employee's Personal File.

